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CENTRAL INTELLIGENCE AGENCY WASHINGTON, D.C. 20505

2 July 1976

MEMORANDUM	FOR:	
SUBJECT	•	Organization of the Soviet

The attached memorandum on the administration of the Soviet Arms Transfer program is provided in response to your request. Let us know if we car be of any further assistance to you.

- l. The Politburo makes the basic decisions on the Soviet military assistance program. Responsibility for the overall direction of the program appears to rest with the 10th Chief Directorate of the General Staff of the Soviet Armed Forces. The 10th Chief Directorate assesses clients' needs and matches them with available Soviet equipment. The actual implementation of the program once it has been approved is the responsibility of the State Committee for Foreign Economic Relations (GKES).
- 2. Two divisions within GKES, the Main Engineering Directorate (GIU) and the Chief Technical Directorate (GTU), are charged with carrying out the agreements. The GIU is responsible for delivering military equipment to LDCs, providing military-related technical aid, and training on military equipment. It negotiates contract details, administers the military aid contracts, supervises placement and delivery of orders, deals with general suppliers on financial matters, and is in charge of Soviet specialists in the host country. The GIU maintains representatives in the Economic Affairs Offices of its Embassies in countries receiving assistance. These representatives are always military personnel.

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3. The GTU is responsible for the construction of military facilities, such as naval shipyards, tank repair shops, and defense industries. Unlike GIU, most GTU personnel are civilians, including the directorate's representatives in the Third World. (See chart below)

